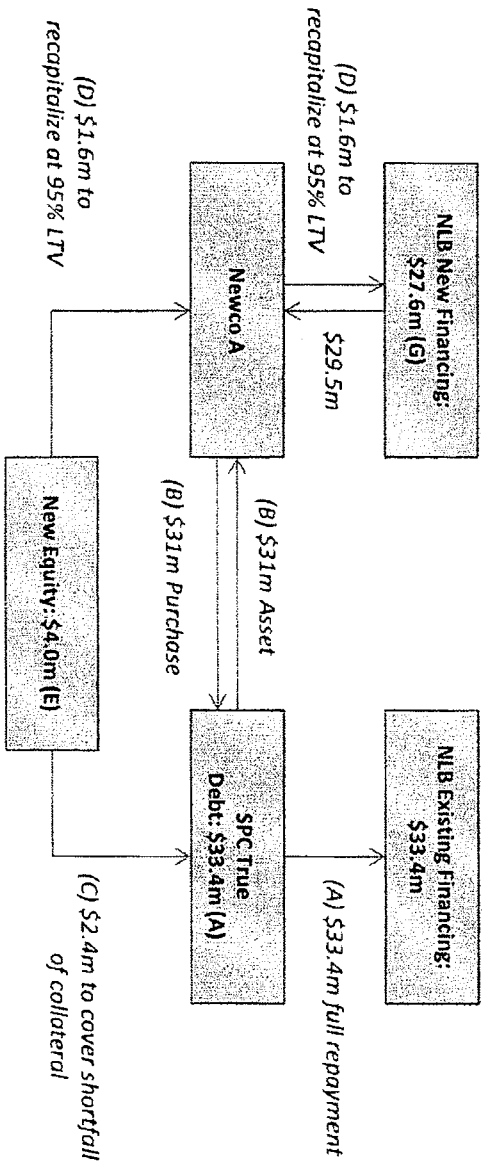


Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #1

1. True is sold from Oldco to Newco Alpha at market value \$31m (B)
2. Any shortfall against the mortgage is funded by \$2.4m new equity (C) and the whole of the Oldco debt is paid down. If there is value above the mortgage, the excess cash remains in Oldco
3. NLB and New Equity recapitalize Newco at a maximum of 95% LTV; NLB has reduced its exposure by \$3.9m and improved LTV by 13%



(note: indicative transaction structure subject to legal due diligence)

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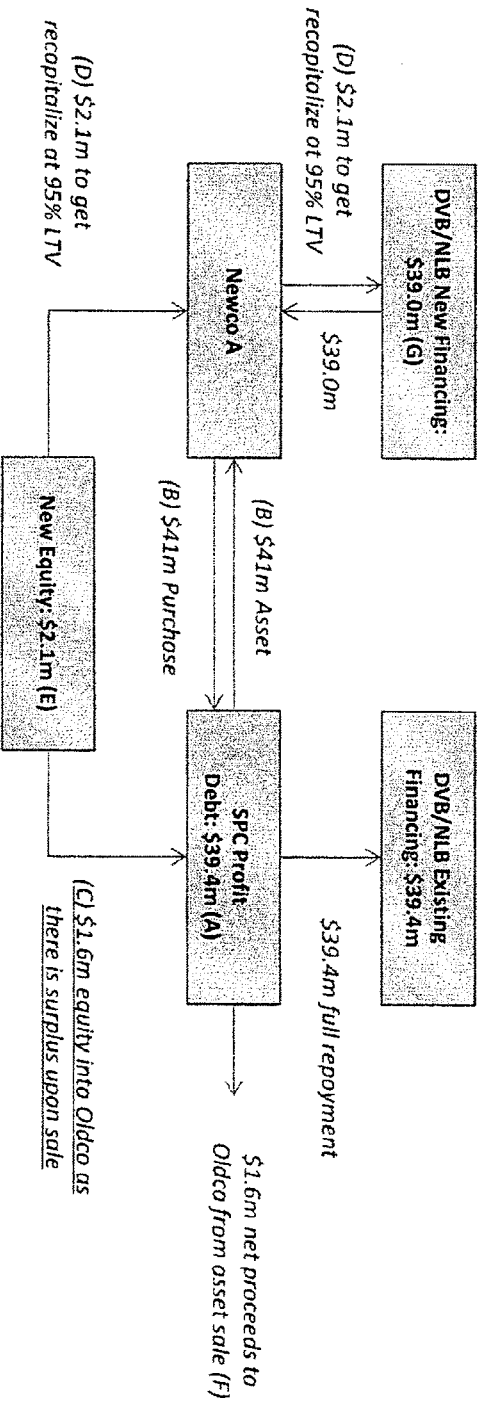
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Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #2

Item	Frequency	Start Date	End Date	Amount	Category	Notes
1	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
2	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
3	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
4	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
5	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
6	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
7	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
8	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
9	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses
10	Monthly	1/1/14	12/31/14	\$1.0m	Operating	Operating expenses

1. Profit is sold from Oldco to Newco Alpha at \$41m market value (B)
2. If there is value above the mortgage, the excess cash remains in Oldco (C). Any shortfall would need to be funded via additional equity
3. DVB and New Equity recapitalize Newco at maximum of 95% LTV; NLB has reduced its exposure by \$0.4m and improved LTV by 1%



Note: Indicative transaction structure subject to legal due diligence

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- Facility#2: Lloyds vessels sold and refinancing provided on the same terms
- Facility#3: Nativis vessels sold and refinancing provided on the same terms; Namrun facility extended and ship potentially sold in 2-3 yrs
- Facility#4: Credit Europe sold and refinancing provided on the same terms
- Facility#5: Dekabank vessels sold and refinancing provided on PAYC basis and no covenants

FACILITY #3						
Natixis facilities rolled over into Newco Alpha on existing terms						
Capezio	Natixis 1	Scope	87%	87%	23.4	27.0 n/a n/a n/a
Handymax	Natixis 2	Namrun	88%	88%	14.0	16.0 n/a n/a n/a

FACILITY #5: Deka facility rolled over into Newco but paid only from available cash from these vessels										
Handymax	Deka	Tarsus	133%	133%	24.0	18.0	n/a	n/a	n/a	24.0
Handymax	Deka	Spot	139%	139%	25.0	18.0	n/a	n/a	n/a	25.0
Handymax	Deka	Clear	139%	139%	25.0	18.0	n/a	n/a	n/a	25.0

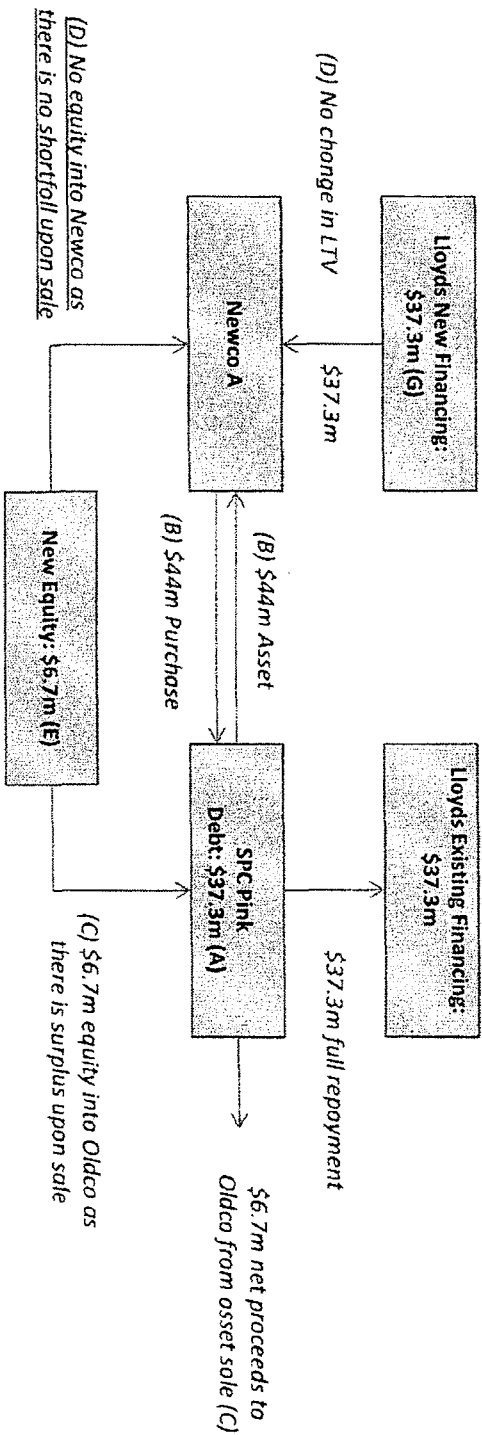
FACILITY #6	NSF 2 nd Lien facilities				
n/a	n/a	25.5	n/a	n/a	25.5

TOTAL Newco Alpha	29	97%	95%	799.3	795.0	(5.9) ^(b)	58.5	64.4	44.6	New Alpha debt
					MV of Newco Alpha Assets		Total Capital required			

(b) Equity value from the takeover of the Marston is £20m, equity not retained by Oric is £2m. Then by Credit Europe

Plan B – Split of Fleet via Newco: Alpha Structuring – Example #3

1. Pink is sold from Oldco to Newco Alpha at market value (B)
2. The excess cash over the mortgage value remains in Oldco (C)
3. Lloyds and New Equity recapitalize Newco at a maximum of 95% LTV, given that coverage is lower than 95% (85%), no new equity is required upon refinancing of Newco with \$37.3m in debt



Note: Indicative transaction structure subject to legal due diligence

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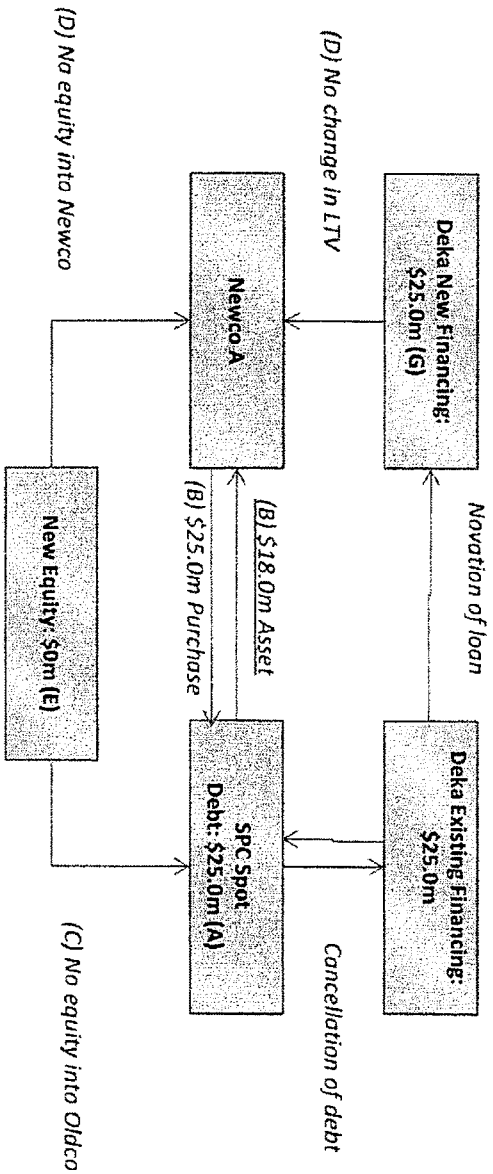
Plan B – Split of Fleet via Newco: Alpha

Structuring – Example #4

Type	Facility	Name	Current LTV	Pro Forma LTV	(A) Actual Outstanding Loan	(B) Current Estimated Value	(C) Excess / (Shortfall) upon sale [B-A]	(D) Capital required in NewCo	(E) Capital required in NewCo (LTV of 85%) and to cover deficiency into OldCo [D-Negative C]	(F) Equity going into OldCo [Positive C]	(G) New debt drawdown [D - A]
Handymax	Deka	Spot	139%	139%	25.0	18.0		0.0	0.0	0.0	25.0

1. Spot is sold from Oldco to Newco Alpha at \$25m being equivalent to outstanding loans
2. Loans are novated to Newco
3. Loans are paid out of available cash on the vessel only

Amount of loan novated is beyond market value at the time of the transaction; no recapitalization



Note: Indicative transaction structure subject to legal due diligence

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Plan B – Split of Fleet via Newco: Alpha
Structuring – Sources and Uses, Pro Forma Balance Sheet

Sources	Uses
New equity ⁽¹⁾	64.4 Purchase of assets
784.0 New financing	19.3 Net bank debt paydown
	45.1 Equity to cover collateral shortfall and excess value
Total Sources	Total Uses
\$848.4	\$848.4

⁽¹⁾ Does not include additional liquidity for operational cash

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Plan B – Split of Fleet via Newco: Beta Structuring

- ▶ **Newco Beta:** Contains 4 Bulkers financed by Chinese banks. These are considerably under water yet they must be offered attractive terms given that the Chinese banks benefit from a Corporate Guarantee.
- ▶ **Assumptions :** Loans novated to Newco Beta on existing terms. Subject to an appropriate rescheduling of obligations we do not envisage equity being required for Newco Beta.

TYPE	Facility	Amount	Contract	Rate	Term	Actual	Contract
			1.75	1.75	3.44	3.44	3.44
Capesize	CCB	Flash	100%	100%	33.1	33.0	
Capesize	CCB	Proud	100%	100%	33.1	33.0	
Capesize	CCB	Angel	119%	119%	43.0	36.0	
Capesize	CCB	Pretty	125%	125%	45.1	36.0	
Total Newco Beta	4	112%	112%	154.3	138.0		

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Plan B – Split of Fleet via Newco: Group C Structuring

► **Group C:** Contains 11 Bulkers financed by GB Global as well as the NSF-financed vessels.

► **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Subject to adequate concessions, facilities could opt into Newco Alpha or desist from participation and take ships back

Type	Facility	Ship#	Current ETV	Prop Future ETV	FAI Actual	Current ETV
Kamsarmax	GB Global	Cash	96%	96%	26.0	27.0
Kamsarmax	GB Global	Coll./Chance	96%	96%	26.0	27.0
Kamsarmax	GB Global	City	96%	96%	26.0	27.0
Handymax	NSF	South	84%	84%	19.3	23.0
Handymax	NSF	East	84%	84%	19.3	23.0
Handymax	GB Global	West	103%	103%	23.7	23.0
Handymax	GB Global	Secret	103%	103%	23.7	23.0
Handymax	GB Global	Sharp	103%	103%	23.7	23.0
Handymax	GB Global	Capital	103%	103%	23.7	23.0
Handymax	GB Global	Metropol	103%	103%	23.7	23.0
Handymax	GB Global	World	103%	103%	23.7	23.0
Total Group C	11		98%	98%	258.8	265.0

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Plan B – Split of Fleet: Residual Oldco: Group D Structuring

- **Group D, Geden Oldco:** 11 Group D vessels make up the residual fleet and are not part of the Company's future. These include the vessels funded by FSL, Icon, Octavian and Stealth when traditional financing was unavailable. Baytur will be sold April 2013.
- **Assumptions :** Entity would require revision of current contractual debt service in order to maintain liquidity; Proceeds from the sale to Newco Alpha would provide liquidity to pay down payables.

Vessel	Entity	Product	Contract Type	Contract Financing %	Contract Financing %	Contract Financing %	Contract Financing %	Contract Financing %	Contract Financing %
Aframax	FSL	Aqua	234%	234%	60.8	26.0			
Aframax	FSL	Action	234%	234%	60.8	26.0			
Aframax	Stealth	Spike	177%	177%	55.0	31.0			
Aframax	Stealth	Avor	176%	176%	54.5	31.0			
Suezmax	Icon 1	Center	145%	145%	67.9	47.0			
Panamax	Octavian 1	Enjoy	141%	141%	42.2	30.0			
Panamax	Octavian 2	Marka	128%	128%	41.0	32.0			
Handymax	Icon 2	Fantastic	157%	157%	29.9	19.0			
Handymax	Icon 2	Amazing	157%	157%	29.9	19.0			
Chartered - Aframax Tanker	not ours	CV Stealth							
Chartered - Aframax Tanker	not ours	CS Stealth							
Subtotal SPVs	11 ⁽¹⁾	169%	169%	441.9	261.0				
Corporate facility	Bank Asya			39.5					
Total Group D				481.4					

⁽¹⁾ Baytur sold before the transaction

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DEKAP 1-44X 0007, March 2013

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Plan B – Summary

Bank Exposure: By Facility

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	60.0	62.1	104%	57.0	95%	(5.1)	-9%
HSH 2	43.0	46.1	107%	40.9	95%	(5.3)	-12%
DVB	25.0	25.3	101%	23.8	95%	(1.5)	-6%
CB NLB BrLB	41.0	40.5	99%	39.0	95%	(1.5)	-4%
DVB NLB SAN	63.0	62.1	99%	59.9	95%	(2.3)	-4%
HSH 1	49.0	48.5	99%	46.6	95%	(2.0)	-4%
DVB NLB	131.0	125.2	96%	124.5	95%	(0.8)	-1%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	38.5	84%	38.5	84%	0.0	0%
Natixis 1	27.0	23.4	87%	23.4	87%	0.0	0%
Natixis 2	16.0	14.0	88%	14.0	88%	0.0	0%
Octavian 2	32.0	41.0	128%	41.0	128%	0.0	0%
Octavian 1	30.0	42.2	141%	42.2	141%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon 1	47.0	67.9	145%	67.9	145%	0.0	0%
Icon 2	38.0	59.7	157%	59.7	157%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSL	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,628.8	112%	1,609.5	110%	(19.3)	-1%

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Plan B – Summary

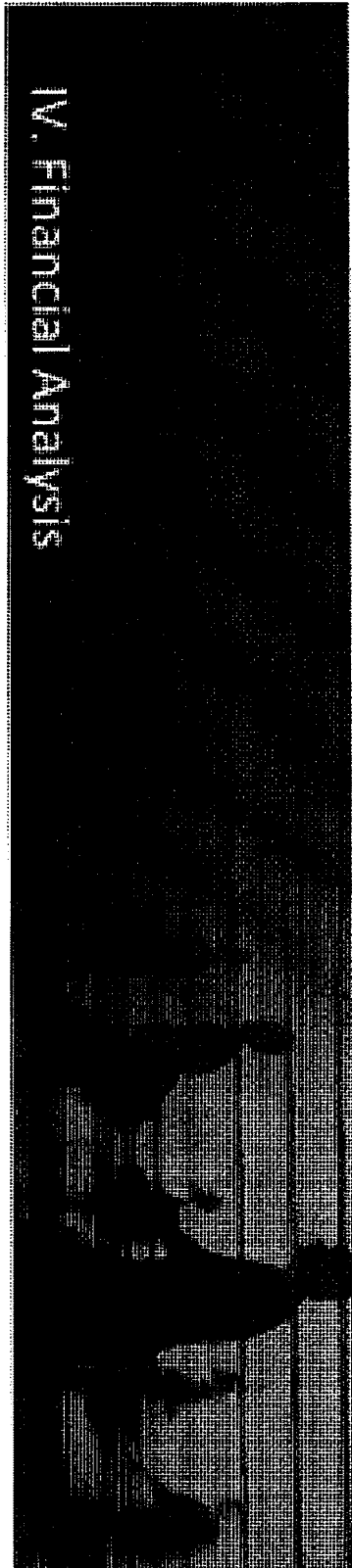
Bank Exposure: By Bank

	Estimated Value	Current debt	LTV Current	PF Debt	LTV After	Change in debt	Change in LTV
Unicredit	99.0	94.9	96%	94.1	95%	(0.8)	-1%
NLB	170.1	168.8	99%	161.6	95%	(7.1)	-4%
DVB	106.3	103.4	97%	100.9	95%	(2.5)	-2%
Commerzbank	14.8	14.6	99%	14.0	95%	(0.6)	-4%
BrlB	13.1	13.0	99%	12.5	95%	(0.5)	-4%
Santander	23.8	22.5	95%	22.0	93%	(0.6)	-2%
HSH	92.0	94.6	103%	87.4	95%	(7.2)	-8%
GB Global	219.0	220.3	101%	220.3	101%	0.0	0%
CDB	72.0	88.1	122%	88.1	122%	0.0	0%
CCB	66.0	66.2	100%	66.2	100%	0.0	0%
Credit Europe	50.0	53.6	107%	53.6	107%	0.0	0%
Lloyds	137.0	104.1	76%	104.1	76%	0.0	0%
NSF	46.0	64.0	139%	64.0	139%	0.0	0%
Natixis	35.0	30.4	87%	30.4	87%	0.0	0%
Octavian	62.0	83.2	134%	83.2	134%	0.0	0%
Deka	54.0	74.0	137%	74.0	137%	0.0	0%
Icon	85.0	127.6	150%	127.6	150%	0.0	0%
Stealth	62.0	109.5	177%	109.5	177%	0.0	0%
FSI	52.0	121.6	234%	121.6	234%	0.0	0%
TOTAL	1,459.0	1,654.3	113%	1,635.0	112%	(19.3)	-1%

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IV. Financial Analysis



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Assumptions

General

Business plan is based on the following main assumptions:

Operations

- 20 offshore days for drydocking
- Rates applied to reflect type of vessel, adjusted for contract terms
- Charter-out options exercised if below market rate
- No Opex inflation
- No working capital movements

Investments

- Dry docking taken from technical management schedule
- No asset sales
- Capex as per financing commitments
- Charter-in come off upon expiry
- Purchase obligations resold at loss/gain equal to current differential between market value and financial obligation

Financing

- No variation in current base rate
- Margins as per specific facilities (following pages)
- Amortization as per specific facilities
- No interest rate swap
- Refinancing of Royal providing \$27.5m net liquidity post HSH repayment and before any repayment to yard (\$10m)
- Extension of Namrun on same terms upon Nov-13 maturity; likely to be sold within 2-3 years

Restructuring

- No mechanism for bareboat catch-up
- Bareboat purchase options not exercised
- No restructuring fees
- All bank deferrals assumed to take on new profile or bullet repayment (no assumption on bareboat deferrals)

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Assumptions

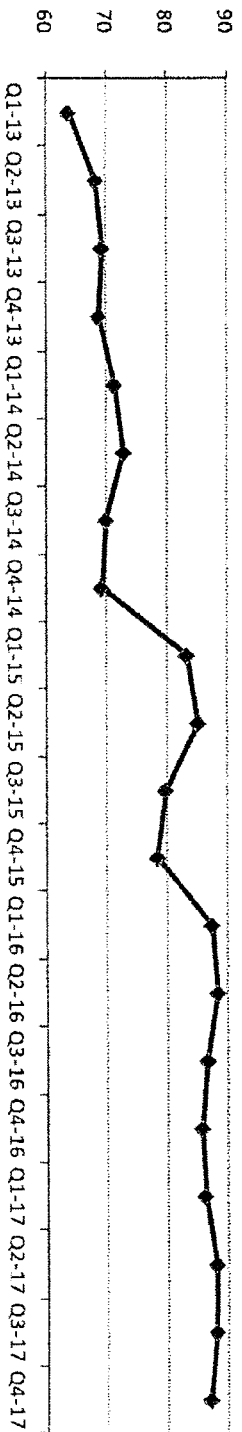
Rates

- The Company's market projections imply CAGR increases of 8-11% for the majority of the fleet:

\$/day	2013	2014	2015	2016	2017	CAGR (12-17)
Aframax Tanker	14,000	14,000	17,500	19,000	21,000	8%
Suezmax Tanker	15,000	15,000	22,000	24,000	24,000	8%
Panamax Tanker	13,500	13,500	14,500	17,500	17,500	5%
MR Pro/Chem Tanker	13,000	13,000	15,000	15,000	15,000	3%
Ice Class Pro/Chem Tanker	12,500	12,500	14,000	14,000	14,000	3%
Capesize Bulk Carrier	15,000	17,500	20,000	22,000	22,000	11%
Kamsarmax Bulk Carrier	12,500	15,000	15,000	20,000	20,000	15%
Supramax Bulk Carrier	10,000	11,000	15,000	17,500	17,500	17%
Mini Bulk Carrier	5,000	6,000	7,000	8,000	8,000	15%

- The actual revenue increase accruing to the fleet through the projection differs as a result of the exercise of charter options and the JV structure on certain vessels (mainly Shell). Revenue CAGR through the period is 6.6%

Total Fleet Revenue by quarter (\$m)



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Financial Analysis

Summary of Terms: Newco Alpha

NewCoAlpha #1	Terms	NewCoAlpha #2	Terms
Senior Facilities	- NLB, Uni, DVB NLB, CB NLB BrLB, HSH1, HSH2, DVB NLB SAN, DVB NLB, DVB	Senior Facilities	- Lloyds
Amount	- \$485.5m (\$504.7m outstanding pre-transaction)	Amount	- \$104.1m (no change)
Interest	- Base Rate: LIBOR - Margin: 300bps w/ potential step-up based on prevalent rates	Interest	- Base Rate: LIBOR - Margin: No change (300bps)
Amortization	- 9-month grace period - Straight line profile based on first 15 years of vessel life - 5 year maturity	Amortization	- Current profile - Elimination of cash sweep
Covenants	- 95% LTV at close - 85% in Q4 14; 80% in Q4 15	Covenants	- No change
Security	- Share pledges, mortgages, earnings	Security	- Share pledges, mortgages, earnings
Other	- Removal of all deposit accounts	Other	- n/a
NewCoAlpha #3	Terms	NewCoAlpha #3	Terms
Senior Facilities	- Natixis	Senior Facilities	- Natixis
Amount	- \$37.4m (no change)	Amount	- \$37.4m (no change)
Interest	- Base Rate: LIBOR - Margin Scope: 160bps - Margin Namrun: 120bps - 300bps starting with refinancing of Namrun	Interest	- Base Rate: LIBOR - Margin Scope: 160bps - Margin Namrun: 120bps - 300bps starting with refinancing of Namrun
Amortization	- Current profile	Amortization	- Current profile
Covenants	- No change	Covenants	- No change
Security	- Share pledges, mortgages, earnings	Security	- Share pledges, mortgages, earnings
Other	- n/a	Other	- n/a

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